

**REMARKS**

Reconsideration of this application is respectfully requested in view of the foregoing amendment and the following remarks.

By the foregoing amendment, claim 1 has been amended. No new matter has been added. Thus, claims 1-10 are currently pending in the present application and subject to examination.

In the Office Action dated October 24, 2006, the Examiner rejected claims 1-9 under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 6,567,915 to Guthery ("Guthery"). The Examiner rejected claim 10 under 35 U.S.C. § 103(a) as being unpatentable over Guthery in view of U.S. Patent No. 6,198,669 to Iguchi ("Iguchi"). It is noted that claim 1 has been amended. To the extent that the rejections remain applicable to the claims currently pending, the Applicants hereby traverse the rejections as follows.

Applicants' invention as now set forth in claim 1 is directed to a semiconductor integrated circuit including a plurality of internal hardware function blocks provided inside the semiconductor integrated circuit; a nonvolatile memory unit which stores therein coded license information indicative of a usable/unusable status separately for each of the plurality of internal hardware function blocks; and a decoder circuit which decodes the license information stored in said nonvolatile memory unit, and makes each of the internal hardware function blocks separately either usable or unusable depending on the decoded license information.

In the Response to Arguments, the Office Action asserts that Guthery teaches making each of a plurality of hardware function blocks separately either usable or

unusable. The Office Action points to “the authentication table 84 holds a list of authenticatable identities, such as people, entities, agencies, code, hardware, and so on” (see column 7, lines 24-26 of Guthery) and “a piece of computing hardware” as describing what an identity may be (see column 2, lines 11-20).

The Applicants note that claim 1 has been amended to recite that the semiconductor includes a plurality of internal hardware function blocks and a decoder circuit which makes each of the **internal** hardware function blocks separately either usable or unusable depending on the decoded license information.

In contrast, Guthery describes an authentication table that lists external hardware devices. The authentication table of Guthery holds a list of authenticatable identities, such as people, entities, agencies, code, hardware, and so on. (See column 7, lines 24-26). In the case of a smart card configured to engage in banking transactions, purchase groceries, and rent movies, the authentication table lists a card holder, a video store, a bank, and a grocery store as identities. (See column 8, lines 3-7). This description in Guthery shows that the hardware listed in the authentication table is an apparatus with which the smart card communicates. Thus, if the authentication table shown in Figure 3 lists hardware, such hardware is a hardware device external to the smart card.

The Applicants submit that Guthery does not disclose or suggest a semiconductor integrated circuit including a plurality of **internal** hardware function blocks provided inside the semiconductor integrated circuit and a decoder circuit which makes each of the **internal** hardware function blocks separately either usable or unusable depending on decoded license information, as recited in amended claim 1.

For at least this combination of reasons, the Applicants submit that claim 1 is allowable over the cited art. As claim 1 is allowable, the Applicants submit that claims 2-10, which depend from allowable claim 1, are therefore also allowable for at least this reason and for the additional subject matter recited therein.

With regard to each of the rejections under §103 in the Office Action, it is also respectfully submitted that the Examiner has not yet set forth a *prima facie* case of obviousness. The PTO has the burden under §103 to establish a *prima facie* case of obviousness. In re Fine, 5 U.S.P.Q.2nd 1596, 1598 (Fed. Cir. 1988). Both the case law of the Federal Circuit and the PTO itself have made clear that where a modification must be made to the prior art to reject or invalidate a claim under §103, there must be a showing of proper motivation to do so. The mere fact that a prior art reference could arguably be modified to meet the claim is insufficient to establish obviousness. The PTO can satisfy this burden only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references. Id. In order to establish obviousness, there must be a suggestion or motivation in the reference to do so. See also In re Gordon, 221 U.S.P.Q. 1125, 1127 (Fed. Cir. 1984) (prior art could not be turned upside down without motivation to do so); In re Rouffet, 149 F.3d 1350 (Fed. Cir. 1998); In re Dembiczak, 175 F.3d 994 (Fed. Cir. 1999); In re Lee, 277 F.3d 1338 (Fed. Cir. 2002).

In the Office Action, the Examiner merely states that the present invention is obvious in light of the cited references. See, e.g., Office Action at page 6. This is an insufficient showing of motivation.

**CONCLUSION**

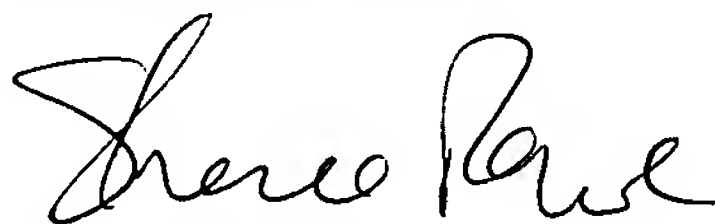
For all of the above reasons, it is respectfully submitted that the claims now pending patentability distinguish the present invention from the cited references. Accordingly, reconsideration and withdrawal of the outstanding rejections and an issuance of a Notice of Allowance are earnestly solicited.

Should the Examiner determine that any further action is necessary to place this application into condition for allowance, the Examiner is encouraged to telephone the undersigned representative at the number listed below.

In the event this paper is not considered to be timely filed, the Applicants hereby petition for an appropriate extension of time. The fee for this extension may be charged to our Deposit Account No. 01-2300. The Commissioner is hereby authorized to charge any fee deficiency or credit any overpayment associated with this communication to Deposit Account No. 01-2300 with reference to Attorney Docket No. 100353-00093.

Respectfully submitted,

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